

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Andy Quach was, at all relevant times, an appointed member of the Westminster Planning Commission. Respondent Quach was also a candidate for Westminster City Council in the November 7, 2000 general election. He currently holds elective public office as a member of the Westminster City Council.

Respondent Andy Quach for City Council (the “Committee”) was the committee established by Respondent Quach, on or about August 22, 2000, to support his candidacy for city council in the November 7, 2000 election. Respondent Diemmy N. Tran was the treasurer of Respondent Committee until the day of the election. Thereafter, Respondent Quach served as the treasurer of Respondent Committee.

As an appointed member of the Westminster Planning Commission, Respondent Quach was subject to conflict of interest provisions of the Political Reform Act (the “Act”)<sup>1</sup> including the provisions of section 84308. This section imposes limitations on the receipt of campaign contributions, and prescribes disclosure and disqualification requirements for members of appointed boards and commissions who make decisions with respect to licenses, permits, or other entitlements for use.

Respondent Quach violated section 84308 by failing to disqualify himself from making planning commission decisions involving a local developer that had contributed in excess of \$250 to Respondent Quach’s city council campaign while a matter concerning the developer’s property was pending before the planning commission, and by failing to disclose his receipt of the campaign contributions on the record of the proceedings in which those decisions were made.

In addition to the Government Code section 84308 violations, described above, Respondents Quach, Committee, and Tran committed numerous other campaign reporting violations, including: receiving cash contributions of \$100 or more; failing to itemize contributor information on campaign statements; failing to disclose a late contribution; and failing to keep required campaign records necessary to prepare three campaign statements.

For the purposes of this stipulation, Respondents’ violations of the Act are stated as follows:

**COUNT 1:**                    On or about and between August 9, 2000 and November 1, 2000, Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran received approximately forty cash contributions, totaling \$7,070, in violation of section 84300, subdivision (a) of the Government Code.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

- COUNT 2: In a pre-election campaign statement filed on or about October 5, 2000, Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran failed to disclose required information about ten contributors of \$100 or more, during the reporting period January 1, 2000 through September 30, 2000, in violation of section 84211, subdivision (f) of the Government Code.
- COUNT 3: Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran failed to maintain the detailed accounts, records, bills, and receipts necessary to prepare a pre-election campaign statement, filed on or about October 5, 2000, for the reporting period January 1, 2000 through September 30, 2000, and to retain said records for a period of four years thereafter, in violation of section 84104 of the Government Code.
- COUNT 4: In a pre-election campaign statement filed on or about October 26, 2000, Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran failed to disclose required information about twelve contributors of \$100 or more, during the reporting period October 1, 2000 through October 21, 2000, in violation of section 84211, subdivision (f) of the Government Code.
- COUNT 5: Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran failed to maintain the detailed accounts, records, bills and receipts necessary to prepare a pre-election campaign statement, filed on or about October 26, 2000, for the reporting period October 1, 2000 through October 21, 2000, and to retain said records for a period of four years thereafter, in violation of section 84104 of the Government Code.
- COUNT 6: Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran failed to disclose a \$2,000 late contribution from Vuong Quach in a properly filed late contribution report, by November 3, 2000, in violation of section 84203 of the Government Code.
- COUNT 7: Respondents Andy Quach and Andy Quach for City Council failed to maintain the detailed accounts, records, bills, and receipts necessary to prepare a pre-election campaign statement, filed on or about January 31, 2001, for the reporting period October 22, 2000 through December 31, 2000, and to retain said records for a period of four years thereafter, in violation of section 84104 of the Government Code.
- COUNT 8: On or about March 14, 2001, Respondent Andy Quach failed to disclose \$3,000 in campaign contributions from Frank Jao, a party to a proceeding that was pending before the Westminster Planning Commission, and failed to disqualify himself from making and participating in making a decision involving Frank Jao, in violation of section 84308, subdivision (c) of the Government Code.

COUNT 9: On or about March 28, 2001, Respondent Andy Quach failed to disclose \$3,000 in campaign contributions from Frank Jao, a party to a proceeding that was pending before the Westminster Planning Commission, and failed to disqualify himself from making and participating in making a decision involving Frank Jao, in violation of section 84308, subdivision (c) of the Government Code.

## **SUMMARY OF THE LAW**

### Conflicts of Interest and Campaign Contributions

One of the express purposes of the Act, as set forth in section 81001, subdivision (b), is that public officials should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of those persons who have supported them.

Section 84308 deals specifically with members of appointed boards or commissions who make decisions in proceedings that involve licenses, permits, or other entitlements for use, and the receipt of campaign contributions from persons involved in those proceedings. Although the receipt of campaign contributions is not a basis for disqualification under the conflict-of-interest provisions found in section 87100 et seq., under section 84308 there are restrictions in the amount and timing of contributions, which can trigger disclosure and disqualification requirements.

Section 84308, subdivision (c) requires disqualification in proceedings which involve licenses, permits, or other entitlements for use, if an officer has received campaign contributions of \$250 or more from a party or participant to the proceeding within twelve months preceding the decision. Subdivision (c) states:

“No officer of an agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or his or her agent, or from any participant, or from his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision.”

Subdivision (c) also requires the public disclosure of campaign contributions, as follows:

“Prior to rendering any decision in a proceeding involving a license, permit, or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than \$250 from a party or from any participant shall disclose that fact on the record of the proceeding.”

Section 84308, subdivision (a) sets forth various definitions of specific terms used in the prohibitory statute. A *party* is any person who files an application for, or is the subject of, a

proceeding involving a license, permit, or other entitlement for use. A *participant* is any person who is not an actual party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the outcome of the decision.

Pursuant to regulation 18438.3, a person is an *agent* of a party to, or a participant in, a proceeding involving a license, permit, or other entitlement for use, only if he or she represents that person in connection with the proceeding involving the license, permit, or other entitlement for use.

*Agency* means any state or local government agency, as defined in section 82003, excluding the courts or any agency in the judicial branch of government, local government agencies whose members are directly elected by the voters, the Legislature, the Board of Equalization, or constitutional officers. An *officer* is defined in section 84308, subdivision (a) as any elected or appointed officer of an agency, and any candidate for elective office.

A *license, permit, or other entitlement for use* is defined as “all business, professional, trade and land use licenses and permits, and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts), and all franchises.”

### Campaign Reporting

An express purpose of the Act, as stated in section 81002, subdivision (a), is to ensure that contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish these purposes of disclosure.

### Prohibition Against Cash Contributions

Section 84300, subdivision (a) states that no contribution of \$100 or more shall be received in cash. Section 84300, subdivision (c) requires that all contributions of \$100 or more be in the form of a written instrument containing the name of the contributor and drawn from the account of the contributor.

### Duty to Disclose Campaign Contributions

Section 84211 prescribes the required contents of campaign statements that must be filed by candidates and their committees. Section 84211, subdivision (c) requires campaign statements to contain the total amount of contributions received during the reporting period from persons who have given a cumulative amount of \$100 or more. For those who have contributed at that level, section 84211, subdivision (f) states that the recipient committee’s campaign statement shall include: the person’s full name; the person’s street address; the person’s occupation; the person’s employer, or if self-employed, the name of the person’s business; the date and amount of each contribution received during the period covered by the campaign statement; and the cumulative amount of contributions received.

### Duty to Disclose Late Contributions

Under section 84203, subdivision (a), when a candidate's committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a "late contribution" as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election campaign statement. Under section 84200.7, subdivision (b), for an election held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

### Duty to Maintain Campaign Records

To ensure accurate campaign reporting, section 84104 imposes a mandatory duty on each candidate, treasurer, and elected officer to maintain detailed accounts, records, bills, and receipts that are necessary to prepare campaign statements, and to comply with the campaign reporting provisions of the Act. Pursuant to regulation 18401, subdivision (a), this duty includes maintenance of detailed information and original source documentation for a committee's activities, including all bank statements, check registers, canceled checks, bills, receipts, invoices, statements or other documents reflecting contributions received and expenditures made by the committee. Additionally, regulation 18401, subdivision (b)(2) requires such accounts, records, bills, receipts, and original source documentation be retained for a period of four years following the date that the campaign statement to which they relate is filed.

### Treasurer Liability.

Section 81004, subdivision (b), section 84100, and regulation 18427, subdivision (a), require a committee's treasurer to ensure that the committee complies with the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly liable, along with the committee, for any reporting violations committed by the committee.

## **SUMMARY OF THE FACTS**

Respondent Andy Quach was, at all relevant times, an appointed member of the Westminster Planning Commission. Respondent Quach was also a candidate for Westminster City Council in the November 7, 2000 general election, which he lost, and again in the November 2002 general election, which he won. Respondent Andy Quach for City Council (the "Committee") was the committee established by Respondent Quach to support his candidacy for city council. Respondent Diemmy N. Tran was the treasurer of Respondent Committee until the day of the election, and thereafter, Respondent Quach served as treasurer of Respondent Committee.

During the November 2000 general election campaign, Respondents reported that Respondent Committee received contributions totaling approximately \$23,968 and made expenditures totaling approximately \$23,807. In 2000, Respondent Quach was a first-time candidate and did not maintain a professional staff. Respondent Tran was a volunteer treasurer.

## COUNT 1: Accepting Cash Contributions

Respondents were prohibited from receiving any contribution of \$100 or more in the form of cash. Prior to the November 7, 2000 general election, Respondents Quach, Committee, and Tran received approximately forty prohibited cash contributions of \$100 or more.

The prohibited cash contributions received by Respondents, including the names of the contributors, and the dates and amounts of the prohibited cash contributions, are set forth in the chart below:

Name of Contributor	Date Contribution Received	Amount of Contribution
Susan Huynh	08/08/00	\$850
Nancy Tran	09/14/00	\$500
Quach My Ngoc	09/14/00	\$100
Kieu Ly	09/20/00	\$100
Do Boutique	09/22/00	\$100
Kim Mai Jewelry	09/22/00	\$100
J & R Video Games	09/25/00	\$100
Malibu Jewelry	09/25/00	\$100
Stephen's Refrigeration Mobile Op.	09/26/00	\$100
Tao Dan Music Center	09/27/00	\$500
Bich Ngoc Jewelry	09/27/00	\$100
Kim Hoa Jewelry	09/27/00	\$100
Cathy Ngung Hair Nails Design	09/27/00	\$100
Hung-Son Inc.	09/28/00	\$100
Hai Au Music	09/28/00	\$200
C & C Fast Food	09/29/00	\$200
My Little Gift Shop	09/29/00	\$100
Kim Phat Jewelry	09/29/00	\$100
Ly's Diamond Jewelry	09/29/00	\$100
Hong Ngon Jewelry	09/29/00	\$100
Try Hang	09/29/00	\$100
Houang Quach	10/06/00	\$100
Best Design Furniture	10/07/00	\$100
Pho 79	10/10/00	\$100
Seafood Paradise II	10/12/00	\$100
Precious Jewelry	10/13/00	\$100
Dung Thai Jewelry	10/14/00	\$100
Kim Tan Jew	10/14/00	\$100
Nguyet Phat	10/14/00	\$100
Unknown	10/16/00	\$100
Dien Tran	10/25/00	\$100
Elite Insurance	10/25/00	\$100
GiGi Cosmetics	10/25/00	\$100
Unknown	10/25/00	\$220
Bolsa West	10/25/00	\$250

Bran Garden Limited	10/25/00	\$450
Sitai Red Inc. & Bolsa Furn.	10/25/00	\$100
Dover II	10/28/00	\$300
Beeper-Cellular Corp.	11/01/00	\$500
Unknown	11/01/00	\$200
<b>Total</b>		<b>\$7,070</b>

By receiving approximately forty cash contributions of \$100 or more, Respondents Quach, Committee, and Tran violated section 84300, subdivision (a).

#### **COUNTS 2 and 4: Failure to Disclose Contributor Information**

During two pre-election campaign reporting periods, on and between January 1, 2000 and October 21, 2000, Respondent Committee received campaign contributions of \$100 or more. Thereafter, Respondents were required to report on a campaign statement, for each reporting period, specific itemized information about each contributor, including: the full name and street address of the contributor; the occupation and the name of each contributor's employer, or if self-employed, the name of the contributor's business; the date and amount of the contribution; and the cumulative amount of contributions received from the contributor.

Respondents failed to disclose the required itemized information for 22 contributors on two campaign statements. The campaign statements in which Respondents failed to itemize required information, the corresponding reporting period, and the total number of individual contributors for whom itemized information was not disclosed during the reporting period, is set forth in the chart below, according to the stipulated count to which each of the contributions corresponds:

<b>Count</b>	<b>Statement Type</b>	<b>Reporting Period</b>	<b>Total Number of Contributors Not Itemized</b>
2	Pre-Election	01/01/00-09/30/00 <sup>2</sup>	10
4	Pre-Election	10/01/00-10/21/00	12
		<b>Total</b>	22

By failing to include the name, street address, occupation, and employer information for contributors on two campaign statements, Respondents Quach, Committee, and Tran violated section 84211, subdivision (f).

#### **COUNTS 3, 5, 7: Failure to Maintain Required Campaign Records**

Respondents had a duty to maintain detailed accounts, records, bills and receipts necessary to prepare campaign statements, and to comply with the campaign reporting provisions of the Act.

During the reporting periods January 1, 2000 through September 30, 2000, October 1,

<sup>2</sup> The pre-election statement of Respondent Committee claimed to cover the period August 25, 2000 through September 30, 2000. However, pursuant to section 82046, subdivision (b), if a person has not previously filed a campaign statement, the period covered begins on January 1.

2000 through October 21, 2000, and October 22, 2000 through December 31, 2000, Respondents failed to maintain adequate campaign records for contributions totaling approximately \$23,968, and for expenditures totaling approximately \$23,806. Respondents told Commission investigators that they did not maintain any contributor cards, bank statements, and loan documentation, and only retained some contributor checks and invoices.

The total of the contributions received and the expenditures made by Respondent Committee for which campaign records were not maintained is set forth below for each of the relevant reporting periods:

Count	Reporting Period	Statement Type	Total Amount of Contributions Received	Total Amount of Expenditures Received
3	07/01/00-09/30/00	Pre-Election	\$9,447	\$6,035
5	10/01/00-10/21/00	Pre-Election	\$9,047	\$8,224
7	10/22/00-12/31/00	Semi-Annual	\$5,474	\$9,547
		<b>Total</b>	\$23,968	\$23,806

By failing to maintain required campaign records, as set forth above, Respondents Quach, Committee, and Tran violated section 84104.

#### **COUNT 6: Failure to Disclose a Late Contribution**

As a candidate, a recipient committee, and treasurer, Respondents had a duty to file a late contribution report, disclosing, within 24 hours, any late contribution that they received prior to the November 7, 2000 election. The late contribution reporting period for this election was October 22, 2000 through November 6, 2000.

On or about November 2, 2000, Respondents Quach, Committee, and Tran received a \$2,000 late contribution from his father, Vuong Quach, which Respondents failed to disclose, within 24 hours, in a properly filed late contribution report.

By failing to disclose the late contribution received by Respondent Committee, as set forth above, in a properly filed late contribution report by November 3, 2000, Respondents Quach, Committee, and Tran violated section 84203, subdivision (a).

#### **COUNTS 8 and 9: Failure to Disclose Campaign Contributions of More than \$250 from a Party to a Proceeding that was Pending, and to Disqualify Himself from Making and Participating in Making a Decision Involving that Party**

Frank Jao was, at all relevant times, the owner of property seeking a zoning change and general plan amendment by the Westminster Planning Commission, as stated in Counts 8 and 9 below. Frank Jao also is the owner of numerous businesses located in the City of Westminster. Among these are Bridgecreek Development Company and Bridgecreek Realty Investment Corp. ("Bridgecreek"), incorporated business entities that develop and manage his properties. Frank Jao also does business under various fictitious business names. Among these are Asian Garden Limited ("Asian Garden Mall"), Dover II Ltd. ("Asian Village Center"), Bolsa West Ltd.



("Bolsa West Center"), and Dover Associates ("Cultural Court" and "New Saigon Mall"), limited partnerships that hold his property.

During his city council campaign, Respondent Quach received approximately \$3,000 in contributions from Frank Jao, through three of Jao's businesses. The names of the businesses through which Frank Jao made the contributions to Respondent Quach's city council campaign, and the dates and amounts of those contributions, are set forth in the chart below:

<b>Name of Contributor</b>	<b>Date Contribution Received</b>	<b>Amount of Contribution</b>
Frank Jao and Ho Yuan Chen, dba Asian Garden Limited	10/09/00	\$450
Frank Jao and Danh Nhut Quach, dba Bolsa West Ltd.	10/11/00	\$250
Frank Jao, Ho Yuan Chen, and Danh Nhut Quach, dba Dover II Ltd.	10/11/00	\$300
Frank Jao and Ho Yuan Chen, dba Asian Garden Limited	10/19/00	\$450
Frank Jao and Danh Nhut Quach, dba Bolsa West Ltd.	10/19/00	\$250
Frank Jao, Ho Yuan Chen, and Danh Nhut Quach, dba Dover II Ltd.	10/19/00	\$300
Frank Jao and Ho Yuan Chen, dba Asian Garden Limited	10/25/00	\$450
Frank Jao and Danh Nhut Quach, dba Bolsa West Ltd.	10/25/00	\$250
Frank Jao, Ho Yuan Chen, and Danh Nhut Quach, dba Dover II Ltd.	10/28/00	\$300
<b>Total</b>		<b>\$3,000</b>

The contributions were disclosed on Respondent Committee's pre-election and semi-annual statements, filed on October 26, 2000, for the reporting period October 1, 2000 through October 21, 2000, and on January 31, 2001, for the reporting period October 22, 2000 through December 31, 2000, and on subsequent amendments filed on May 22, 2001 and July 31, 2001, as contributions from Asian Garden Limited, Bolsa West Ltd., and Dover II Ltd.

#### **Count 8: March 14, 2001 Planning Commission Decision**

On March 14, 2001, there was an item on the Westminster Planning Commission agenda pertaining to property owned by Frank Jao and Ho Yuan Chen, held by a partnership doing business as Dover Associates. The property was located at 9223 and 9225 Bolsa Avenue within an existing commercial shopping center in Little Saigon. Dover Associates was seeking a general plan amendment and proposed zoning change from commercial industrial to residential multi-family housing. The item was controversial, since it would have a possible impact on parking conditions at the Asian Village Shopping Center. Respondent Quach participated in the planning commission's consideration of the general plan amendment and rezoning and voted against deferring the matter to a study session. The vote was 4-1, with Respondent Quach

dissenting. At no time during the proceeding did Respondent Quach disclose that he had

received contributions from Frank Jao during the previous twelve months.

At the time this decision came before the planning commission, Respondent Quach knew that Frank Jao was the principal owner and managing partner of Dover Associates, the property owner of record that was seeking the zoning change along with the applicant, Western Pacific Housing, which was under contract to purchase the property. As the owner of the property, Frank Jao was the subject of the decision, and therefore a party to the decision triggering application of the section 84308 prohibition.

Respondent Quach also knew that Dover Associates had contributed to his city council campaign during the previous twelve months. However, Respondent Quach claims that he was unaware of the prohibitions and disclosure requirements of section 84308.

By failing to disclose \$3,000 in campaign contributions from Frank Jao, a party to a proceeding before the Westminster Planning Commission, doing business as Dover Associates, and failing to disqualify himself from making and participating in making a decision involving Frank Jao, Respondent Quach violated section 84308, subdivision (c).

#### **Count 9: March 28, 2001 Planning Commission Decision**

On March 28, 2001, the matter of the rezoning and general plan amendment came back before the Westminster Planning Commission for a final determination. Respondent Quach participated in the planning commission's consideration of the general plan amendment and rezoning, by introducing the motion to adopt a negative declaration and to approve the requested zoning change, and by voting in favor of his motion. The vote was unanimous, 4-0. At no time during the proceeding did Respondent Quach disclose that he had received contributions from Frank Jao during the previous twelve months.

At the time this decision came before the planning commission, Respondent Quach knew that Frank Jao was the principal owner and managing partner of Dover Associates, the property owner of record that was seeking the zoning change along with the applicant, Western Pacific Housing. As the property owner, Frank Jao was the subject of the decision, and therefore a party to the decision triggering application of the section 84308 prohibition. Respondent Quach also knew that Frank Jao had contributed to his city council campaign during the previous twelve months.

Moreover, Respondent Quach was made aware of the prohibition requirements of section 84308 by a citizen who raised the issue at the meeting of Respondent Quach's possible conflict of interest due to campaign contributions from the owner of the property, Frank Jao. Respondent Quach responded on the record of the proceeding that campaign contributions do not cause a conflict of interest and have no relevance to the zone change proposal. The city attorney who was present at the meeting did not correct Respondent Quach's misstatements of the law or advise Respondent Quach to disqualify himself.

By failing to disclose \$3,000 in campaign contributions from Frank Jao, a party to a proceeding before the Westminster Planning Commission, doing business as Dover Associates, and failing to disqualify himself from making and participating in making a decision involving

Frank Jao, Respondent Quach committed a violation of section 84308, subdivision (c).

Subsequent to the March 14, 2001 and March 28, 2001 meetings, Respondent Quach was advised by the city attorney that he had a disqualifying conflict of interest in the Frank Jao proceeding. As such, when the same project was subsequently remanded to the Westminster Planning Commission by the Westminster City Council, on April 25, 2001, Respondent Quach abstained from participation.

## **CONCLUSION**

This matter consists of nine counts, which carry a maximum administrative penalty of Two Thousand Dollars (\$2,000) per count for Counts 1 through 7, and Five Thousand Dollars (\$5,000) per count for Counts 8 and 9, for a total administrative penalty of Twenty-Four Thousand Dollars (\$24,000).<sup>3</sup>

Concerning Count 1, the receipt of cash contributions has historically been considered a very serious violation, as it can prevent tracking of the true source of campaign contributions. The violation was aggravated by the fact that Respondents failed to keep records of the transactions. A maximum administrative penalty of \$2,000 is appropriate for this violation.

Concerning Counts 2 and 4, the typical stipulated administrative penalty for the failure of a committee to provide required information regarding contributors of \$100 or more has historically ranged from \$1,000 to \$2,000 per statement. As these violations do not appear to be especially aggravated, in that the amount of contributor information not itemized was relatively small, imposition of an administrative penalty approximating the low end of the penalty range, in the amount of \$1,000, is appropriate for each violation.

Concerning Counts 3, 5, and 7, the typical stipulated administrative penalty for failing to maintain campaign records has historically ranged from \$1,000 to \$2,000 per statement. As these violations appear to be the result of Respondents' inexperience and lack of knowledge regarding recordkeeping requirements, imposition of an administrative penalty at the lower end of the penalty range, in the amount of \$1,000, is appropriate for each violation.

Regarding Count 6, this case has been excluded from the Enforcement Division's Streamlined Late Contribution Enforcement Program, due to Respondents' additional reporting violations. However, the late contribution not reported was relatively small. Therefore, imposition of a penalty of \$500 for the late contribution reporting violation is appropriate.

Concerning the section 84308 violations, set forth in Counts 8 and 9, Respondent was personally aware that the planning commission decisions involved a person that had made recent contributions to his city council campaign. Moreover, Respondent failed to disclose his receipt of the campaign contributions on the record of the proceedings. This participation and nondisclosure constitutes very serious violations. However, while the violations are serious, they were somewhat mitigated by Respondent's disclosure of the contributions in campaign statements which made it possible for the public to uncover his violations of section 84308.

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<sup>3</sup> On January 1, 2001, the maximum administrative penalty increased from Two Thousand Dollars (\$2,000) to Five Thousand Dollars (\$5,000) for violations occurring after that date.

Furthermore, although it was Respondent Quach's duty to know the requirements of the law, when the conflicts/contributions issue came up at the March 28, 2001 meeting (Count 9), the city attorney did not correct Respondent Quach's mistake as to the law, or advise him to disqualify himself. Accordingly, an administrative penalty at the mid-to-low end of the penalty range, in the amount of \$2,000, is appropriate for each violation.

The facts of this case therefore justify imposition of the agreed upon penalty of Eleven Thousand Five Hundred Dollars (\$11,500), allocated as follows: Seven Thousand Five Hundred Dollars (\$7,500) against Respondents Andy Quach, Andy Quach for City Council, and Diemmy N. Tran, for Counts 1 through 7; and Four Thousand Dollars (\$4,000) against Respondent Quach for Counts 8 and 9.